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INFO RUEHAC/AMEMBASSY ASUNCION 3982
RUEHBO/AMEMBASSY BOGOTA 2424
RUEHBU/AMEMBASSY BUENOS AIRES 1501
RUEHBR/AMEMBASSY BRASILIA 0915
RUEHCV/AMEMBASSY CARACAS 2104
RUEHPE/AMEMBASSY LIMA 6191
RUEHMN/AMEMBASSY MONTEVIDEO 4412
RUEHQT/AMEMBASSY QUITO 2381
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDO/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000491

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

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SUBJECT: CHILE MEDIA REPORT -- MAY 22

Leading Stories

1. All dailies highlighted the annual May 21 Presidential address to the nation, which Bachelet gave at the Congress in Vina del Mar. Dailies also noted health authorities confirmed 29 AH1N1 cases in Chile, the most in South America.

U.S.-Related News

2. Captioned photograph of President Obama and Chilean Ambassador Jose Goni in the Oval Office, as the latter presents his letters of credentials. "How is your wonderful President," asked Obama. The U.S. President underscored the shared values and the need to work as partners (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 5/22).

3. On Friday, July 3, the region's finance ministers will attend a meeting in Vina del Mar. U.S. Secretary of the Treasury Tim Geithner is among the expected guests (El Mercurio, 5/21).

4. Carlos Furche, head of Chile's Foreign Affairs International Economic Relations Bureau, DIRECON, played down the USTR's Priority Watch List, saying it "reflects the view of a U.S. industrial sector and is not part of the mechanisms or institutions in the bilateral Chile-U.S. FTA." (El Mercurio, 5/22).

5. President Bachelet will travel next week to Holland and France. Her trip ends in El Salvador, where she could come across U.S. Secretary of State Hillary Clinton (El Mercurio, 5/21).

6. Article on the wine-tasting event hosted by Ambassador Simons to promote California Zinfandel wines in Chile. "The tasting event showed the friendliest and the more festive characteristics of the Zinfandel variety" (Capital monthly magazine, 5/20).

7. Ambassador Paul Simons addressed an audience of 150 government officials, members of the armed forces, professors, students, and public in general on the "The First One-Hundred Days of the Obama Administration" at University of Magallanes, in southern Chile (Regional daily El Pinguino de Magallanes, 5/20).

8. National Customs figures show that China was the main recipient of Chilean exports in April 2009. Asia as a bloc received 43.5% of total Chilean exports, the highest percentage. The United States remains Chile's largest bilateral trading partner (El Mercurio, 5/21).

Bachelet's May 21 Address

¶9. Headline: "Bachelet emphasizes achievements of her administration and avoids farewell tone." In her address, the President highlighted her administration's social initiatives and sound fiscal policy. Bachelet also said she would "work unit the very last day" in office, and proposed three main lines of action to face the economic crisis. Unlike previous years, she did not criticize candidate Sebastian Pinera or express support for "Concertacion" candidate Eduardo Frei. The opposition criticized the absence of self-criticism and mention of Chile's growing crime rate (El Mercurio, 5/22).

¶10. Headline: "Bachelet announces bonuses and subsidies of US\$330 million during her last year in office" (El Mercurio, 5/22).

¶11. Headline: "Bachelet announces social benefits in an address marked by a strong defense of her administration" The President chose to expand subsidies and highlight that the seal of her administration is social protection. The President did not endorse in any way Eduardo Frei's presidential candidacy (La Tercera, conservative, independent, circ. 101,000, 5/22).

¶12. In her last May 21 address, Bachelet announced that two percent of the annual budget will be used to create "quality cultural centers" in every community with over 250,000 inhabitants (La Nacion, government-owned, editorially independent, circ. 4,200, 5/22).

¶13. Dailies concurred on the most significant announcements: The US\$72 monthly bonus to help families with winter expenses, totaling 4 million people; the pension reform to benefit the poorest sector of the population; a bill that sets a ceiling on the fuel tax; new housing subsidies; a bill establishing penal responsibility for businesses and individuals involved in price collusion; a bill to prevent the use of privileged information in the stock market; delivery of 60,000 computers to low-income public school 7th graders with the highest GPA; 2,000 additional scholarships to study English and another 3,500 for graduate studies; mortgage insurance for those who have lost their jobs; construction of 12 new hospitals and the expansion of the list of diseases that are fully covered by the public health system. On foreign policy, Bachelet specifically regretted Peru's decision to file a claim with the international court in The Hague over maritime borders.

ICC

¶14. The Chamber of Deputies passed the constitutional reform that would allow Chile to ratify the Rome Statute to adhere to the International Criminal Court (All dailies, 5/22).

Digital Television

¶15. A source familiar with the negotiations in Congress to approve the digital TV law and allow stations to broadcast in high definition noted the Executive Office is pressuring Congress to pass the law before the 2010 World Soccer Cup. Reportedly, the television industry is making a strong lobby, because the World Cup generates a peak in demand for new television sets (La Segunda, conservative, afternoon, circ. 33,000, 5/20).

SIMONS